# SAN DIEGO COUNTY ECONOMIC FORECAST

With a population of 3.3 million people, San Diego is the second largest county in California, behind only Los Angeles County.

The San Diego County economy created jobs at a rapid rate in 2017. The region gained 28,300 jobs, representing a growth rate of 2.0 percent. Gains were most prominent in transportation, healthcare, government, and leisure services.

More than 1,000 new jobs were gained at San Diego International Airport and its contractors. Almost 1.9 million passengers departed or landed at the airport in 2017, leading to its busiest year on record and generating demand for larger employee headcounts.

San Diego County's restaurant sector was also a large creator of jobs. Many of these jobs were in the takeout and "fast casual" market segment, and over the course of the year almost 200 new restaurants opened in this category.

Weakness was observed in the biotechnology industry. San Diego County has a large concentration of jobs in biotech research, but venture capital funding to this sector declined by 30 percent in 2017, causing more than 20 research labs to shut down.
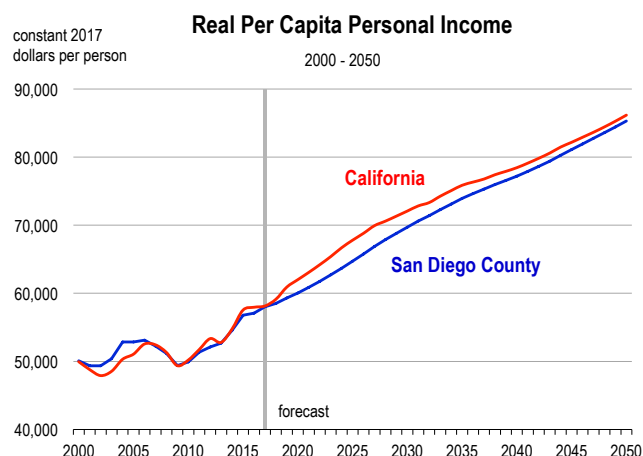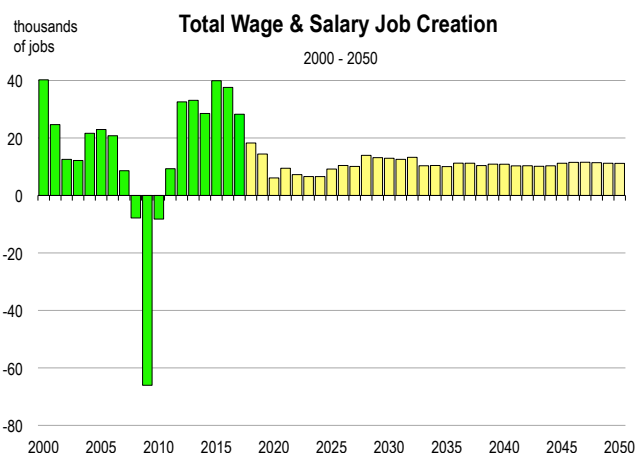
Home prices in the county have surpassed their bubble-era peak, and housing affordability is becoming a problem. Many households now spend more than 35 percent of their income on mortgage payments and rent, and because housing prices are rising faster than incomes, housing affordability will continue to deteriorate.

High home prices are deterring people from moving to the region. Over the last three years, net migration has been virtually flat, with equal numbers of people moving out of the county as those moving in. The population is now growing relatively slowly, and as housing affordability worsens, net migration is expected to turn negative.

The San Diego County unemployment rate was exceptionally low in 2017, falling to 4.0 percent. This signifies that the economy has reached a "full employment" scenario, meaning that almost everyone who wants a job already has a job. Under these conditions, job creation is expected to decelerate, and additional improvements in the unemployment rate will be minimal.

## FORECAST HIGHLIGHTS

- Total employment is expected to increase by 1.3 percent in 2018. From 2018 to 2023, growth will average 0.6 percent per year.

- Between 2018 and 2023, the largest job gains will be observed in professional business services, leisure and hospitality, education and healthcare, and government. Together, these sectors will account for 88 percent of net job creation.

**Total Wage & Salary Job Creation**
2000 - 2050

thousands of jobs

**Real Per Capita Personal Income**
2000 - 2050

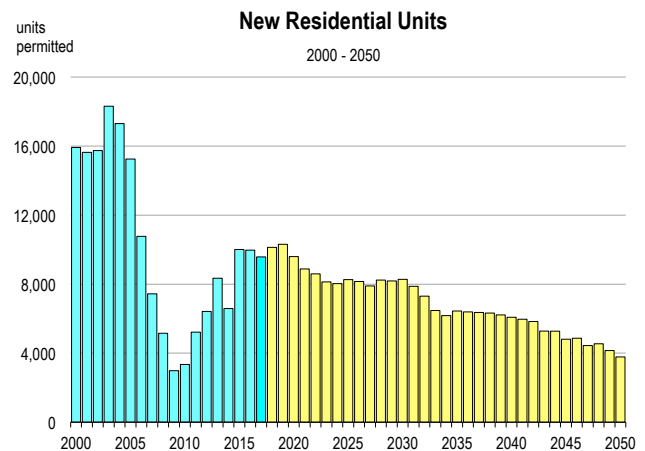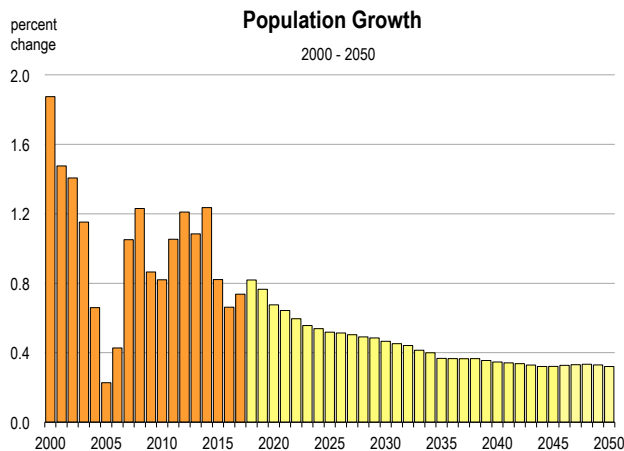constant 2017 dollars per person

- Average salaries are slightly above the California state average, but this may change over the forecast period. In San Diego County, inflation-adjusted salaries will rise by an average of 1.1 percent per year from 2018 to 2023, but wages will rise more quickly across the state. By 2023, the average San Diego worker will earn less than the average worker statewide.

- Between 2018 and 2023, an average of 9,100 housing permits will be issued each year, which will be an improvement over the previous five years. Most new housing units will be in multifamily structures in Downtown San Diego. Some will also be single-family homes in Chula Vista, Fallbrook, Escondido, and North San Diego County.

- Population growth will decelerate over the forecast period, averaging 0.6 percent annually. Net migration will turn negative, and from 2018 to 2023 an average of 400 net migrants will leave the county each year.

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# San Diego County Economic Forecast
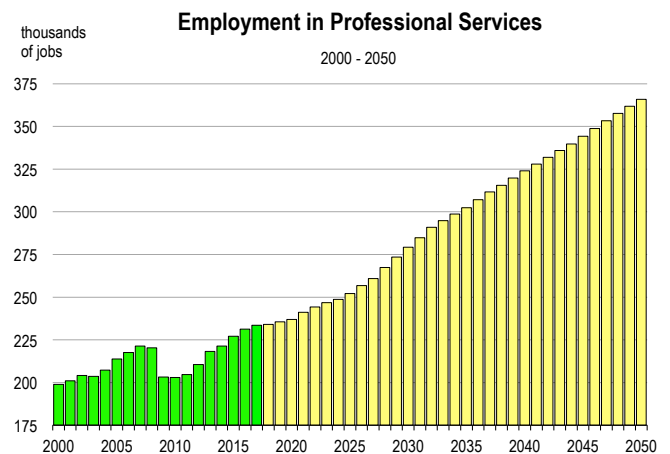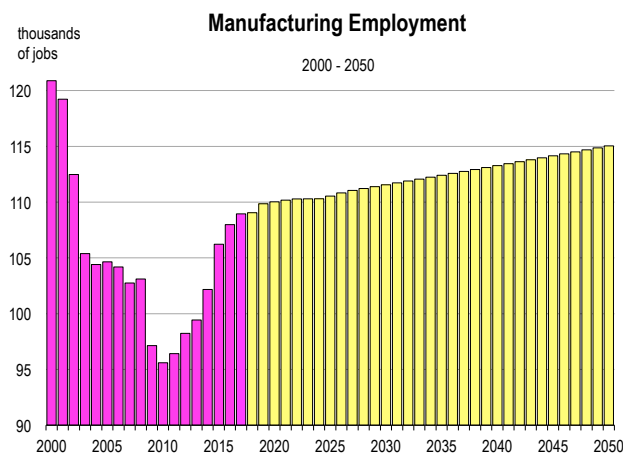## 2010-2017 History, 2018-2050 Forecast

| | Population (people) | Net Migration (people) | Registered Vehicles (millions) | Households (thousands) | New Homes Permitted (homes) | Total Taxable Sales (billions) | Personal Income (billions) | Real Per Capita Income (dollars) | Inflation Rate (% change in CPI) | Real Farm Crop Value (billions) | Real Industrial Production (billions) | Unemployment Rate (percent) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2010 | 3,102,852 | -249 | 2.67 | 1,086.2 | 3,346 | $41.6 | $136.6 | $49,924 | 1.2 | 1.87 | 23.1 | 10.8 |
| 2011 | 3,135,522 | 7,630 | 2.65 | 1,089.4 | 5,222 | $45.1 | $145.7 | $51,339 | 2.7 | 1.86 | 22.8 | 10.3 |
| 2012 | 3,173,442 | 13,957 | 2.67 | 1,096.1 | 6,419 | $47.9 | $152.7 | $52,103 | 2.0 | 1.89 | 24.0 | 9.1 |
| 2013 | 3,207,852 | 11,415 | 2.75 | 1,105.7 | 8,342 | $50.3 | $157.8 | $52,674 | 1.1 | 1.98 | 24.9 | 7.8 |
| 2014 | 3,247,475 | 15,227 | 2.81 | 1,112.6 | 6,583 | $52.7 | $167.6 | $54,554 | 1.3 | 1.92 | 26.2 | 6.4 |
| 2015 | 3,274,141 | 2,539 | 2.88 | 1,121.5 | 10,005 | $54.2 | $177.6 | $56,796 | 0.9 | 1.78 | 27.8 | 5.2 |
| 2016 | 3,295,816 | -2,137 | 2.96 | 1,125.4 | 9,972 | $55.4 | $183.0 | $57,086 | 1.9 | 1.80 | 28.6 | 4.7 |
| 2017 | 3,320,108 | 492 | 3.04 | 1,136.2 | 9,580 | $56.7 | $192.6 | $58,014 | 2.8 | 1.78 | 29.8 | 4.0 |
| 2018 | 3,347,292 | 4,139 | 3.10 | 1,145.6 | 10,134 | $58.9 | $201.2 | $58,513 | 2.7 | 1.77 | 30.5 | 3.7 |
| 2019 | 3,372,910 | 2,692 | 3.14 | 1,155.1 | 10,312 | $61.7 | $210.1 | $59,325 | 2.2 | 1.76 | 30.6 | 3.4 |
| 2020 | 3,395,699 | 89 | 3.17 | 1,164.8 | 9,597 | $64.8 | $220.9 | $60,033 | 3.2 | 1.75 | 31.0 | 3.5 |
| 2021 | 3,417,538 | -609 | 3.20 | 1,174.0 | 8,882 | $67.5 | $231.4 | $60,887 | 2.6 | 1.75 | 31.7 | 3.7 |
| 2022 | 3,437,894 | -1,738 | 3.21 | 1,182.5 | 8,597 | $70.0 | $242.2 | $61,763 | 2.6 | 1.74 | 32.4 | 3.8 |
| 2023 | 3,457,028 | -2,526 | 3.22 | 1,190.7 | 8,131 | $72.7 | $253.4 | $62,699 | 2.5 | 1.74 | 33.1 | 3.9 |
| 2024 | 3,475,647 | -2,553 | 3.23 | 1,198.5 | 8,031 | $75.4 | $264.7 | $63,677 | 2.3 | 1.74 | 33.9 | 4.1 |
| 2025 | 3,493,666 | -2,526 | 3.24 | 1,206.1 | 8,264 | $78.4 | $276.3 | $64,702 | 2.2 | 1.73 | 34.5 | 4.2 |
| 2026 | 3,511,611 | -1,982 | 3.24 | 1,213.9 | 8,154 | $81.3 | $288.3 | $65,770 | 2.1 | 1.73 | 35.2 | 4.2 |
| 2027 | 3,529,296 | -1,575 | 3.25 | 1,221.6 | 7,897 | $84.3 | $300.6 | $66,887 | 2.0 | 1.74 | 36.0 | 4.2 |
| 2028 | 3,546,629 | -1,246 | 3.25 | 1,229.1 | 8,237 | $87.2 | $313.7 | $67,872 | 2.3 | 1.74 | 36.7 | 4.2 |
| 2029 | 3,563,835 | -735 | 3.26 | 1,236.8 | 8,187 | $90.1 | $326.4 | $68,796 | 2.1 | 1.74 | 37.5 | 4.2 |
| 2030 | 3,580,436 | -663 | 3.27 | 1,244.5 | 8,280 | $93.2 | $339.0 | $69,699 | 2.0 | 1.74 | 38.4 | 4.2 |
| 2031 | 3,596,621 | -485 | 3.28 | 1,252.3 | 7,876 | $96.5 | $351.6 | $70,598 | 1.9 | 1.75 | 39.2 | 4.2 |
| 2032 | 3,612,498 | -411 | 3.30 | 1,259.8 | 7,306 | $100.1 | $364.9 | $71,409 | 2.1 | 1.75 | 40.0 | 4.2 |
| 2033 | 3,627,468 | -879 | 3.31 | 1,266.8 | 6,474 | $103.7 | $377.3 | $72,273 | 1.7 | 1.75 | 40.9 | 4.2 |
| 2034 | 3,641,968 | -864 | 3.33 | 1,273.1 | 6,177 | $107.3 | $390.7 | $73,113 | 1.9 | 1.76 | 41.8 | 4.2 |
| 2035 | 3,655,351 | -1,521 | 3.34 | 1,279.0 | 6,445 | $111.0 | $404.7 | $73,944 | 2.0 | 1.77 | 42.7 | 4.3 |
| 2036 | 3,668,732 | -1,274 | 3.35 | 1,285.0 | 6,392 | $114.7 | $420.0 | $74,655 | 2.4 | 1.77 | 43.7 | 4.3 |
| 2037 | 3,682,140 | -1,131 | 3.37 | 1,291.1 | 6,360 | $118.5 | $436.0 | $75,295 | 2.5 | 1.78 | 44.6 | 4.3 |
| 2038 | 3,695,616 | -1,135 | 3.38 | 1,297.1 | 6,326 | $122.2 | $451.8 | $75,960 | 2.3 | 1.78 | 45.6 | 4.3 |
| 2039 | 3,708,744 | -1,557 | 3.39 | 1,303.0 | 6,218 | $126.0 | $468.6 | $76,578 | 2.5 | 1.79 | 46.6 | 4.3 |
| 2040 | 3,721,599 | -1,616 | 3.40 | 1,308.9 | 6,083 | $129.7 | $485.7 | $77,213 | 2.4 | 1.80 | 47.6 | 4.3 |
| 2041 | 3,734,310 | -1,803 | 3.41 | 1,314.7 | 5,968 | $133.4 | $502.7 | $77,898 | 2.2 | 1.81 | 48.7 | 4.3 |
| 2042 | 3,746,895 | -2,046 | 3.42 | 1,320.3 | 5,835 | $137.1 | $520.0 | $78,629 | 2.1 | 1.81 | 49.8 | 4.3 |
| 2043 | 3,759,225 | -2,431 | 3.43 | 1,325.9 | 5,282 | $140.8 | $537.7 | $79,402 | 2.0 | 1.82 | 50.9 | 4.3 |
| 2044 | 3,771,287 | -2,840 | 3.43 | 1,331.0 | 5,276 | $144.5 | $555.3 | $80,269 | 1.8 | 1.83 | 52.0 | 4.3 |
| 2045 | 3,783,408 | -2,882 | 3.43 | 1,336.0 | 4,810 | $148.1 | $574.4 | $81,093 | 2.0 | 1.84 | 53.1 | 4.3 |
| 2046 | 3,795,793 | -2,699 | 3.43 | 1,340.6 | 4,867 | $151.8 | $593.6 | $81,938 | 1.9 | 1.84 | 54.3 | 4.3 |
| 2047 | 3,808,357 | -2,617 | 3.43 | 1,345.2 | 4,441 | $155.5 | $613.3 | $82,773 | 1.9 | 1.85 | 55.5 | 4.3 |
| 2048 | 3,821,066 | -2,540 | 3.42 | 1,349.4 | 4,545 | $159.4 | $633.6 | $83,604 | 1.9 | 1.86 | 56.8 | 4.3 |
| 2049 | 3,833,663 | -2,710 | 3.41 | 1,353.7 | 4,152 | $163.5 | $654.6 | $84,446 | 1.9 | 1.87 | 58.1 | 4.3 |
| 2050 | 3,845,954 | -2,985 | 3.40 | 1,357.7 | 3,783 | $167.5 | $676.4 | $85,315 | 1.9 | 1.88 | 59.4 | 4.3 |

**Population Growth**

2000 - 2050

percent change



**New Residential Units**
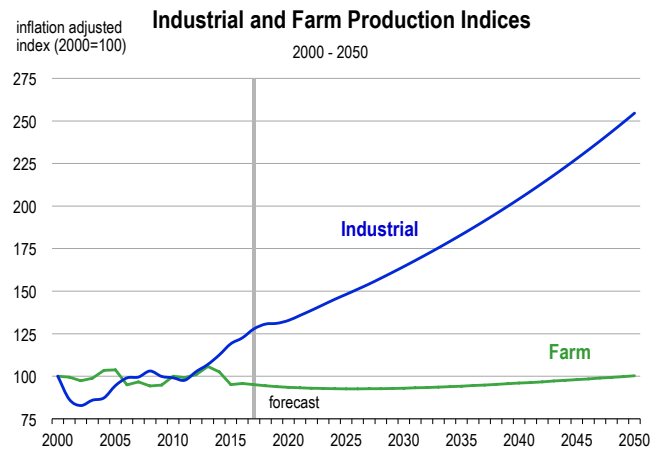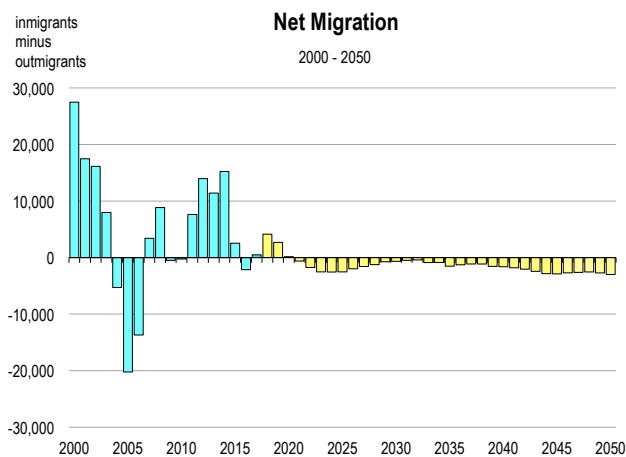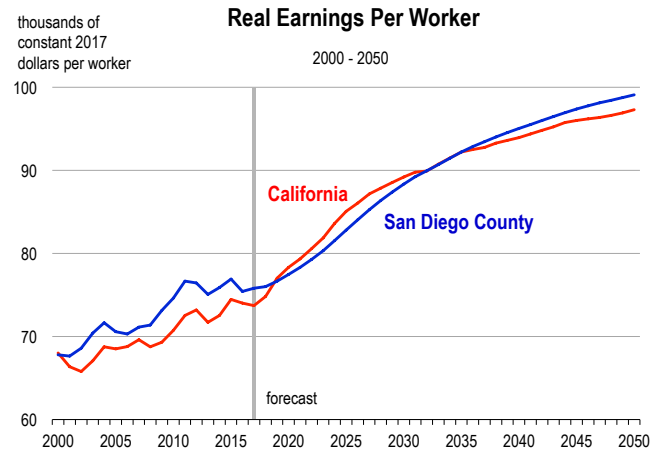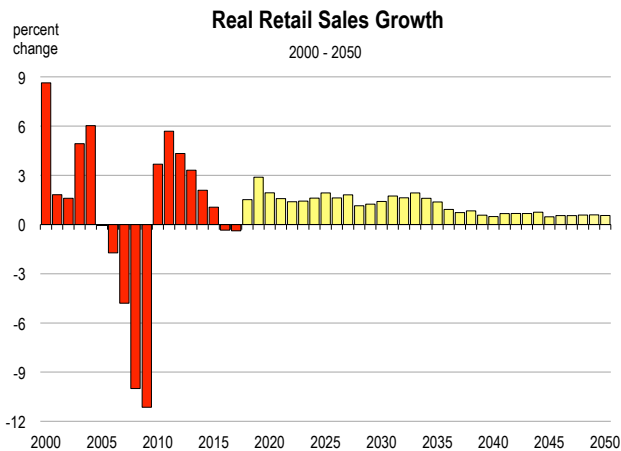
2000 - 2050

units permitted

# San Diego County Employment Forecast
## 2010-2017 History, 2018-2050 Forecast

| | Total Wage & Salary | Farm | Construction | Manufac- turing | Transportation & Utilities | Wholesale & Retail Trade | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ----------------------------------------------------------------------------employment (thousands of jobs)---------------------------------------------------------------------------- | | | | | | | | | | | |
| 2010 | 1,252.6 | 10.53 | 55.4 | 95.6 | 26.5 | 173.0 | 67.1 | 203.0 | 25.4 | 164.5 | 154.5 | 230.5 |
| 2011 | 1,261.9 | 9.79 | 55.2 | 96.4 | 26.1 | 177.1 | 67.4 | 204.6 | 24.7 | 167.9 | 155.6 | 229.0 |
| 2012 | 1,294.4 | 9.80 | 57.0 | 98.2 | 27.3 | 183.1 | 69.8 | 210.6 | 25.0 | 174.5 | 161.7 | 227.8 |
| 2013 | 1,327.5 | 9.75 | 61.0 | 99.4 | 27.2 | 187.6 | 70.8 | 218.2 | 24.7 | 181.0 | 168.6 | 229.5 |
| 2014 | 1,356.0 | 9.38 | 63.9 | 102.2 | 27.0 | 190.5 | 69.4 | 221.4 | 24.8 | 186.0 | 177.0 | 231.9 |
| 2015 | 1,395.9 | 9.08 | 69.9 | 106.2 | 28.4 | 193.5 | 71.2 | 227.2 | 24.2 | 192.7 | 183.9 | 236.2 |
| 2016 | 1,433.5 | 8.93 | 76.3 | 108.0 | 29.7 | 195.1 | 72.7 | 231.2 | 24.1 | 198.7 | 191.9 | 242.2 |
| 2017 | 1,461.8 | 8.57 | 79.3 | 109.0 | 31.9 | 196.9 | 74.1 | 233.5 | 24.4 | 204.5 | 196.4 | 248.1 |
| 2018 | 1,480.1 | 8.32 | 81.8 | 109.1 | 32.1 | 198.3 | 74.0 | 234.1 | 25.0 | 208.2 | 201.7 | 251.0 |
| 2019 | 1,494.5 | 8.07 | 82.5 | 109.9 | 32.2 | 199.9 | 74.6 | 235.5 | 24.5 | 211.2 | 203.4 | 254.6 |
| 2020 | 1,500.6 | 7.85 | 81.5 | 110.0 | 32.3 | 200.7 | 74.0 | 236.9 | 24.5 | 213.0 | 204.1 | 256.7 |
| 2021 | 1,510.0 | 7.64 | 80.1 | 110.2 | 32.4 | 201.6 | 74.3 | 241.1 | 24.9 | 214.9 | 205.3 | 258.1 |
| 2022 | 1,517.3 | 7.44 | 78.6 | 110.3 | 32.5 | 202.5 | 74.0 | 244.3 | 25.0 | 216.6 | 206.3 | 259.4 |
| 2023 | 1,523.9 | 7.23 | 77.0 | 110.3 | 32.5 | 203.4 | 73.8 | 246.8 | 25.2 | 218.4 | 207.3 | 261.0 |
| 2024 | 1,530.4 | 7.03 | 75.5 | 110.3 | 32.6 | 204.3 | 73.9 | 248.7 | 25.3 | 220.2 | 208.2 | 262.7 |
| 2025 | 1,539.6 | 6.82 | 74.5 | 110.5 | 32.7 | 205.4 | 73.8 | 252.1 | 25.7 | 222.0 | 209.3 | 264.5 |
| 2026 | 1,550.1 | 6.62 | 73.7 | 110.8 | 32.8 | 206.2 | 73.5 | 256.8 | 26.4 | 223.6 | 210.4 | 266.2 |
| 2027 | 1,560.2 | 6.42 | 73.2 | 111.1 | 32.9 | 206.8 | 73.6 | 260.9 | 26.8 | 225.5 | 211.4 | 268.0 |
| 2028 | 1,574.1 | 6.22 | 73.3 | 111.2 | 33.0 | 207.7 | 73.7 | 267.4 | 27.4 | 228.0 | 212.4 | 269.3 |
| 2029 | 1,587.3 | 6.02 | 73.3 | 111.4 | 33.1 | 208.6 | 73.6 | 273.5 | 28.0 | 230.5 | 213.5 | 270.3 |
| 2030 | 1,600.2 | 5.82 | 73.4 | 111.6 | 33.2 | 209.5 | 73.7 | 279.3 | 28.5 | 233.1 | 214.5 | 271.3 |
| 2031 | 1,612.8 | 5.62 | 73.3 | 111.7 | 33.3 | 210.5 | 73.8 | 284.8 | 29.0 | 235.8 | 215.5 | 272.2 |
| 2032 | 1,626.1 | 5.42 | 73.2 | 111.9 | 33.4 | 211.5 | 73.9 | 290.9 | 29.7 | 238.4 | 216.4 | 273.2 |
| 2033 | 1,636.4 | 5.23 | 72.8 | 112.1 | 33.5 | 212.5 | 74.0 | 294.8 | 30.0 | 241.0 | 217.4 | 274.2 |
| 2034 | 1,646.8 | 5.03 | 72.6 | 112.2 | 33.6 | 213.4 | 74.1 | 298.7 | 30.4 | 243.6 | 218.3 | 275.1 |
| 2035 | 1,656.9 | 4.83 | 72.3 | 112.4 | 33.7 | 214.3 | 74.1 | 302.4 | 30.7 | 246.2 | 219.2 | 276.1 |
| 2036 | 1,668.1 | 4.64 | 72.0 | 112.6 | 33.8 | 215.2 | 74.2 | 307.1 | 31.3 | 248.8 | 220.1 | 277.1 |
| 2037 | 1,679.3 | 4.44 | 71.7 | 112.8 | 33.8 | 216.0 | 74.2 | 311.6 | 31.8 | 251.5 | 221.0 | 278.1 |
| 2038 | 1,689.7 | 4.25 | 71.5 | 112.9 | 33.9 | 216.9 | 74.4 | 315.5 | 32.2 | 254.1 | 221.8 | 279.1 |
| 2039 | 1,700.6 | 4.05 | 71.3 | 113.1 | 34.0 | 217.7 | 74.4 | 319.8 | 32.6 | 256.8 | 222.6 | 280.2 |
| 2040 | 1,711.5 | 3.85 | 71.1 | 113.3 | 34.1 | 218.5 | 74.5 | 324.0 | 33.1 | 259.4 | 223.4 | 281.3 |
| 2041 | 1,721.8 | 3.66 | 70.7 | 113.4 | 34.2 | 219.4 | 74.6 | 327.9 | 33.4 | 262.1 | 224.2 | 282.4 |
| 2042 | 1,732.1 | 3.47 | 70.2 | 113.6 | 34.3 | 220.2 | 74.6 | 331.9 | 33.8 | 264.8 | 225.0 | 283.7 |
| 2043 | 1,742.3 | 3.27 | 69.6 | 113.8 | 34.3 | 221.1 | 74.6 | 335.9 | 34.2 | 267.4 | 225.7 | 285.0 |
| 2044 | 1,752.6 | 3.08 | 69.1 | 114.0 | 34.4 | 222.0 | 74.7 | 339.7 | 34.5 | 270.1 | 226.4 | 286.3 |
| 2045 | 1,763.8 | 2.88 | 68.7 | 114.2 | 34.5 | 222.8 | 74.8 | 344.3 | 34.9 | 272.8 | 227.2 | 287.7 |
| 2046 | 1,775.3 | 2.69 | 68.5 | 114.3 | 34.6 | 223.6 | 74.9 | 348.8 | 35.4 | 275.5 | 227.9 | 289.1 |
| 2047 | 1,786.9 | 2.49 | 68.3 | 114.5 | 34.6 | 224.5 | 75.0 | 353.3 | 35.8 | 278.2 | 228.7 | 290.6 |
| 2048 | 1,798.3 | 2.30 | 68.2 | 114.7 | 34.7 | 225.3 | 75.0 | 357.6 | 36.2 | 281.0 | 229.4 | 292.1 |
| 2049 | 1,809.5 | 2.11 | 68.0 | 114.9 | 34.8 | 226.2 | 75.1 | 361.8 | 36.5 | 283.8 | 230.1 | 293.6 |
| 2050 | 1,820.7 | 1.91 | 67.9 | 115.0 | 34.9 | 227.0 | 75.2 | 365.9 | 36.8 | 286.6 | 230.8 | 295.1 |



Manufacturing Employment
2000 - 2050
thousands of jobs



Employment in Professional Services
2000 - 2050
thousands of jobs

**Real Retail Sales Growth**
2000 - 2050

percent change

9
6
3
0
-3
-6
-9
-12

2000  2005  2010  2015  2020  2025  2030  2035  2040  2045  2050

**Real Earnings Per Worker**
2000 - 2050

thousands of constant 2017 dollars per worker

100
90
80
70
60

California

San Diego County

forecast

2000  2005  2010  2015  2020  2025  2030  2035  2040  2045  2050

**Net Migration**
2000 - 2050

inmigrants minus outmigrants

30,000
20,000
10,000
0
-10,000
-20,000
-30,000

2000  2005  2010  2015  2020  2025  2030  2035  2040  2045  2050

**Industrial and Farm Production Indices**
2000 - 2050

inflation adjusted index (2000=100)

275
250
225
200
175
150
125
100
75

Industrial

Farm

forecast

2000  2005  2010  2015  2020  2025  2030  2035  2040  2045  2050

# County Economic and Demographic Indicators

## Projected Economic Growth (2018-2023)

| | |
|---|---|
| Expected retail sales growth: | 9.6% |
| Expected job growth: | 3.0% |
| Fastest growing jobs sector: | Professional Services |
| Expected personal income growth: | 10.7% |

| | |
|---|---|
| Expected population growth: | 3.3% |
| Net migration to account for: | 0% |
| Expected growth in number of vehicles: | 3.9% |

## Demographics (2018)

| | |
|---|---|
| Unemployment rate (April 2018): | 2.9% |
| County rank* in California (58 counties): | 11th |
| Working age (16-64) population: | 66.4% |

| | |
|---|---|
| Population with B.A. or higher: | 36.7% |
| Median home selling price (2017): | $529,000 |
| Median household income: | $73,394 |

## Quality of Life

| | |
|---|---|
| Violent crime rate (2016): | 325 per 100,000 persons |
| County rank* in California (58 counties): | 20th |
| Average commute time to work (2018): | 28 minutes |

| | |
|---|---|
| High school drop out rate (2017): | 7.9% |
| Households at/below poverty line (2018): | 10.2% |

* The county ranked 1st corresponds to the lowest rate in California